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10 UNITED STATES BANKRUPTCY COURT
11 EASTERN DISTRICT OF WASHINGTON
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14 Case No. 24-01421-11

15 IN RE:

16 IDEAL PROPERTY INVESTMENTS,
17 LLC

18 Debtor.

19 DECLARATION OF
20 AMIT D. RANADE IN SUPPORT
21 OF MOTION TO AUTHORIZE
22 SUBSIDIARY MERGER

23 AMIT D. RANADE hereby declares as follows:

24 1. I am an attorney with the law firm of Snell & Wilmer LLP, counsel for
25 Turning Point Strategic Advisors (“**Receiver**”), the general receiver appointed by the
26 Superior Court of King County, Washington, (“**State Court**”) over Ideal Property
Investments LLC (“**Debtor**”) on May 3, 2024. I am Receiver’s lead attorney on this
matter. I have personal knowledge of the following facts. I am over the age of 18, and
I am otherwise competent to testify to the matters stated herein.

27 A. **Receiver’s Asset Investigation and Marshaling**

28 2. The primary asset in Debtor’s receivership was a portfolio of real estate
29 across the country. At the outset, First Fed Bank (the petitioning creditor) gave us a
30 list of properties comprising their collateral. Early in the receivership, however, we
31 learned that Debtor owned, directly or indirectly, more than what was on First Fed

1 Bank's list. The portfolio included properties in California, Oregon, Nevada, Arizona,
2 Tennessee, Illinois, Texas, Georgia, and Florida.

3 3. Exhibit A, attached hereto, is a true and correct copy of a spreadsheet
4 prepared by my office to keep track of the properties that we identified as having some
5 connection to Debtor.

6 4. Exhibit B, attached hereto, is a true and correct copy of a chart prepared
7 by my office that summarizes formation, registration, management, and ownership
8 information for the entities listed on my tracking spreadsheet that we have been able
9 to gather to date. Based on our review of the records we were able to access, Debtor
10 is the sole owner and manager of the following entities:

- 11 • 1118 Virginia Street LLC
- 12 • 343 Johnny Clark LLC
- 13 • Ideal Greenleaf LLC
- 14 • Ideal Murfreesboro LLC

15 Our investigation was not yet complete, and we believe Debtor may have interests in
16 other related entities that are identified on my tracking spreadsheet.

17 5. After appointment, we opened ancillary proceedings in Arizona, Nevada,
18 California, and Florida to facilitate the liquidation of receivership assets. These
19 ancillary receiverships are pending.

20 6. The properties in Murfreesboro, Tennessee, and Elk Grove, Illinois, were
21 in pending foreclosure proceedings when Receiver was appointed. Both properties are
22 owned by single-asset subsidiaries of Debtor. To stop the foreclosures and preserve
23 value for creditors, Receiver caused these subsidiaries—Ideal Greenleaf LLC and
24 Ideal Murfreesboro LLC—to execute assignments for the benefit of creditors and
25 thereafter initiate receiverships in Snohomish County. Receiver then opened ancillary
26 receivership proceedings in Illinois and Tennessee, respectively. These receiverships

1 are pending.

2 7. Our investigation also uncovered at least one likely avoidable transfer of
3 real property that previously belonged to Debtor. The property is at 14925 35th
4 Avenue NE in Marysville, and its title is currently held by Ideal Industrial Park LLC.
5 We identified several other possible avoidable transfers. After we raised these issues
6 with Debtor's original principal, Ryan Wear, Mr. Wear stipulated to bringing into
7 Debtor's receivership the additional properties we identified. Exhibit C, attached
8 hereto, is a true and correct copy of a Stipulation and Order to Amend Appointing
9 Order, entered by the State Court on June 13, 2024, adding the properties we identified
10 to Mr. Wear.

11 **B. Engagement of Broker and Marketing Efforts**

12 8. After appointment, we negotiated a master listing agreement with NAI
13 Puget Sound Properties with a favorable commission structure. On May 20, 2024, the
14 Snohomish County Superior Court approved the employment of NAI.

15 9. NAI immediately began work to list the properties in Debtor's portfolio.
16 NAI's brokers have done a substantial amount of work preparing properties for listing
17 and assisting Receiver in dealing with tenants and occupants as well as site-specific
18 issues to be addressed before listing. For example, Debtor's property in Tualatin,
19 Oregon, contains vehicles and equipment that appear abandoned. Debtor may also
20 want to consider investing some funds to fix up the property to obtain a higher offer.
21 NAI was assisting us with these types of evaluations across Debtor's portfolio.

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10. On the petition date, we had four properties under contract:

Title Owner	Address	Price
Ideal Industrial Park LLC	14925 35th Avenue NE, Marysville, WA	\$8,000,000
Ideal Murfreesboro LLC	730 Middle Tenn Blvd, Murfreesboro, TN	\$3,650,000
Debtor	530 Opper Street, Escondido CA	\$4,750,000
Debtor	3811 188th Street NE, Arlington, WA	\$1,100,000

On June 7, 2024, the Snohomish County Superior Court approved the Murfreesboro sale, and we were attempting to obtain title insurance to close that sale. We had not yet filed sale motions for the other three properties because, as detailed below, it became clear that we would not be able to obtain title insurance outside of bankruptcy.

C. Inability to Obtain Title Insurance Outside of Bankruptcy

11. Within the first month of Debtor's receivership, First American declined to insure any transaction involving the properties in receivership. By mid-July, Old Republic followed suit. Both companies declined coverage out of concerns over pending fraud litigation against Mr. Wear and his companies, including Debtor. In particular, the insurers were concerned that the plaintiffs in two federal lawsuits would not be bound by state court receivership sale orders. We were unable to convince them otherwise. We then focused on Stewart Title and the Fidelity group of companies.

12. In August, Stewart Title agreed to insure our sales in Marysville and Arlington. Their title commitment, however, included a special coverage exception for the pending fraud litigation. When we presented Stewart's commitment to the buyer's broker, he told us the exception would kill the deal. Stewart, in turn, said it would not proceed without that exception. At that point, we were down to Fidelity as our only possible source of title insurance.

1 13. Fidelity had the same concerns as the other insurers. They assigned one
2 of their in-house underwriting counsel, Darnella Ward, to work with me on these sales.
3 Initially, we focused on the sale in Murfreesboro.

4 14. Fidelity issued a preliminary title commitment a few days after we
5 obtained the Snohomish County sale order, but it was subject to further evaluation of
6 the fraud litigation—specifically a lawsuit in the Southern District of New York filed
7 by 352 Capital GP LLP. Like Stewart, Fidelity initially proposed a special coverage
8 exception. The buyer said their lender would not finance the transaction if the quality
9 of its collateral were subject to that exception.

10 15. When I asked Ms. Ward what it would take to remove the exception, she
11 identified two things: (i) a release of the buyer and Fidelity executed by 352 Capital;
12 and (ii) an indemnity from the receivership estate.

13 16. To satisfy Fidelity, I drafted a form of release and requested feedback.
14 Exhibit D, attached hereto, is a true and correct copy of the release. Ms. Ward said my
15 proposed form of release was sufficient. I then reached out to 352 Capital to obtain
16 their signature.

17 17. Meanwhile, however, Ms. Ward reported that Fidelity's Chief Legal
18 Officer had intervened and decided Fidelity would not insure any sale outside of a
19 single and global bankruptcy case involving Debtor's entire portfolio. She also
20 explicitly confirmed that separate bankruptcy cases for the single-asset subsidiaries
21 would be insufficient to obtain title insurance coverage. Exhibit E, attached hereto, is
22 a true and correct copy of the e-mail exchange in which she states this position.

23 **D. Ideal Murfreesboro LLC**

24 18. Exhibit F, attached hereto, is a true and correct copy of the Assignment
25 for the Benefit of Creditors for Ideal Murfreesboro LLC, including a schedule listing
26 the known assets and creditors of that entity.

1 19. Exhibit G, attached hereto, is a true and correct copy of the rent roll for
2 the Murfreesboro property.

3 20. Exhibit H, attached hereto, is a true and correct copy of the claims register
4 prepared by my office to keep track of the proofs of claim filed in the Murfreesboro
5 receivership.

6 **E. Ideal Greenleaf LLC**

7 21. Exhibit I, attached hereto, is a true and correct copy of the Assignment
8 for the Benefit of Creditors for Ideal Greenleaf LLC, including a schedule listing the
9 known assets and creditors of that entity. To the best of my knowledge, the Greenleaf
10 property has at all relevant times been unoccupied.

11 22. Exhibit J, attached hereto, is a true and correct copy of the proof of claim
12 filed by First Fed Bank. This is the only proof of claim that was submitted in this case.

13 **F. Debtor and Other Subsidiaries and Affiliates**

14 23. Exhibit K, attached hereto, is a true and correct copy of the Amended
15 Schedules identifying assets and creditors of Debtor and its other subsidiaries and
16 affiliates known to us as of August 5, 2024.

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1 I declare under penalty of perjury under the laws of the United States of
2 America that the foregoing statements are true and correct to the best of my
3 knowledge.

4 Dated this 9th day of October, 2024, in Seattle, Washington.

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8 AMIT D. RANADE

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DECLARATION OF AMIT D. RANADE - 7

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